

HOUSE BILL NO. 268

INTRODUCED BY R. RIPLEY, J. TROPILA, CHRISTIAENS, JACOBSON, KITZENBERG, LEHMAN,
LENHART, MCNUTT, NEWMAN, OLSON, B. THOMAS, J. WHITAKER, WOLERY

A BILL FOR AN ACT ENTITLED: "AN ACT INCREASING THE BIDDING REQUIREMENTS FOR A SCHOOL
DISTRICT FROM \$15,000 TO \$25,000; AND AMENDING SECTION 20-9-204, MCA."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 20-9-204, MCA, is amended to read:

"20-9-204. Conflicts of interests, letting contracts, and calling for bids. (1) It is unlawful for a trustee to:

(a) have any pecuniary interest, either directly or indirectly, in any contract made by the trustee while acting in that official capacity or by the board of trustees of which the trustee is a member; or

(b) be employed in any capacity by the trustee's own school district.

(2) For the purposes of subsection (1):

(a) "pecuniary interest" does not include holding an interest of 10% or less in a corporation;

(b) "contract" does not include:

(i) merchandise sold to the highest bidder at public auctions;

(ii) investments or deposits in financial institutions that are in the business of loaning or receiving money when the investments or deposits are made on a rotating or ratable basis among financial institutions in the community or when there is only one financial institution in the community; or

(iii) contracts for professional services, other than salaried services, or for maintenance or repair services or supplies when the services or supplies are not reasonably available from other sources if the interest of any board member and a determination of the lack of availability are entered in the minutes of the board meeting at which the contract is considered.

(3) Except for district needs that must be met due to an unforeseen emergency as defined in 20-3-322(5), whenever the estimated cost of any building, furnishing, repairing, or other work for the benefit of the district or purchasing of supplies for the district exceeds the sum of ~~\$15,000~~ \$25,000, the work done or the purchase made must be by contract. Each contract must be let to the lowest responsible

1 bidder after advertisement for bids. The advertisement must be published in the newspaper that will give
2 notice to the largest number of people of the district as determined by the trustees. The advertisement
3 must be made once each week for 2 consecutive weeks, and the second publication must be made not
4 less than 5 days or more than 12 days before consideration of bids. A contract not let pursuant to this
5 section is void. The bidding requirements of this subsection do not apply to:

- 6 (a) a registered professional engineer, surveyor, real estate appraiser, or registered architect;
 - 7 (b) a physician, dentist, pharmacist, or other medical, dental, or health care provider;
 - 8 (c) an attorney;
 - 9 (d) a consulting actuary;
 - 10 (e) a private investigator licensed by any jurisdiction;
 - 11 (f) a claims adjuster; or
 - 12 (g) an accountant licensed under Title 37, chapter 50.
- 13 (4) Whenever bidding is required, the trustees shall award the contract to the lowest responsible
14 bidder, except that the trustees may reject any bids.
- 15 (5) ~~Nothing in this~~ This section requires may not require the board of trustees to let a contract for
16 any routine and regularly performed maintenance or repair project or service that can be accomplished by
17 district staff whose regular employment with the school district is related to the routine performance of
18 maintenance for the district."

19 - END -